

Message Text

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LIMITED OFFICIAL USE STOCKHOLM 3360

E.O.11652: N/A

TAGS: PINT ELAB SW

SUBJECT: LO CHIEF SAYS NO TO COALITION GOVERNMENT

REF: STOCKHOLM 3314

1. SUMMARY: IN WAKE OF STALEMATED PARILAMENTARY ELECTION LO PRESIDENT GUNNAR NILSSON CAME OUT FLATLY AGAINST "ORGANIZED COOPERATION" WITH ANY BOURGEOIS PARTY, THEREBY STOPPING TALK OF POSSIBLE SOCDEM (SAP) LIBERAL COALITION GOVT. SAID THAT SAP AND LO SHOULD GO ON THE OFFENSIVE WITH REVITALIZED PROGRAM LOOKING TOWARD POSSIBLE NEW ELECTIONS 1974 OVER A MAJOR LABOR ISSUE. ALSO SAID THAT IN VIEW OF LEGISLATIVE UNCERTAINTY, LO WOULD NOT SIGN THREE YEAR COLLECTIVE AGREEMENT TO TAKE EFFECT JANUARY 1, 1974, BUT WOULD AGREE TO ONLY ONE YEAR OR POSSIBLY TWO YEARS WITH REOPENER. GENERAL OPINION IN ALL UNIONS IS THAT SAP GOVT WILL INITIALLY GO SLOW. SOME MILITANTS HOPEFUL THAT LAME-DUCK RIKSDAG WILL ADOPT MORE CONTROVERSIAL PARTS SAP LABOR PLATFORM BEFORE NEW RIKSDAG SEATED. END SUMMARY.

2. GUNNAR NILSSON, PRESIDENT OF SWEDISH CONFEDERATION OF
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TRADE UNIONS (LO) STATED FLATLY THAT "TRADE UNION MOVEMENT"

IS AGAINST "ORGANIZED COOPERATION" BY SOCIAL DEMOCRATIC PARTY (SAP) WITH ANY BOURGEOIS PARTY IN FORMING NEW GOVT. STALEMENT MADE IN SERIES OF PRESS, RADIO, TV INTERVIEWS SEPTEMBER 19. EFFECT WAS TO QUELL SPECULATION OF POSSIBLE SAP-LIBERAL COALITION AND MAKE CLEAR THAT NEW LO PRESIDENT PREPARED TO CONTINUE LO ROLE AS MAJOR POWER WITH SAP. NILSSON SAID SAP COULD CONTINUE TO GOVERN AS IN PART, PICKING UP NEEDED RIKSDAG VOTES FOR MOST LEGISLATION FROM VARIOUS OPPOSITION PARTIES.

3. NILSSON SAID SAP AND LO MUST NOW GO ON OFFENSIVE WITH REVITALIZED POLICIES. AT TIME OF ITS CHOOSING SAP GOVT COULD THEN PROPOSE CONTROVERSIAL LEGISLATION HIGH ON LIST OF TRADE UNION PRIORITIES, SUCH AS LEGAL PROHIBITION AGAINST PARAGRAPH 32 OF SWEDISH EMPLOYERS CONFEDERATION (SAF) CONSTITUTION. (THIS PARAGRAPH REQUIRES SAF MEMBERS TO INCLUDE IN ALL COLLECTIVE AGREEMENTS A CLAUSE GIVING RIGHT TO HIRE, FIRE, ASSIGN WORK, EXCLUSIVELY TO EMPLOYER. PROHIBITION THIS CLAUSE MAJOR GOAL IN LO DRIVE FOR "INDUSTRIAL DEMOCRACY.") IF GOVT PROPOSAL NOT RPT NOT ADOPTED GOVT WOULD FALL AND COULD THEN GO TO ELECTORATE WITH ISSUE AROUND WHICH LABOR WOULD RALLY.

4. NECESSITY FOR RALLYING POINT SEEN IN NILSSON'S ANALYSIS ELECTION RESULTS. WHILE MAINTAINING SAP/LO MACHINE STILL INTACT, NILSSON COMPLAINED SAP ON DEFENSIVE DURING CAMPAIGN EVER UNEMPLOYMENT, TAX POLICY, INFLATION. THIS RESULTED IN LOSSES IN FOUR AREAS, (1) DEFECTIONS BY WHITE COLLAR WORKERS HIT BY UNEMPLOYMENT AND EFFECTS OF MARGINAL TAX POLICY, (2) RESISTENCE AMONG OWNERS AND WORKERS IN SMALL ENTERPRISES WHO FELT PACE OF RECENT SOCDEM SOCIAL WELFARE AND EMPLOYMENT LEGISLATION TOO FAR TOO FAST. (3) PENSIONERS RECEPTIVE TO COMMUNIST VPK PROMISES (4) SUCCESS OF FAR LEFT IN ATTRACTING YOUNG FIRST TIME VOTERS.

5. ADDED EFFECT OF POLITICAL STALEMATE EXPECTED TO BE RESISTANCE BY UNIONS TO USUAL THREE-YEAR COLLECTIVE AGREEMENT IN NEGOTIATIONS SCHEDULED TO BEGIN IN NOVEMBER. NILSSON WHO LINKED LEGISLATIVE AND COLLECTIVELY BARGAINED GOALS IN ELECTION SPEECHES, NOW SAYING THAT IN VIEW OF LEGISLATIVE UNCERTAINTY, UNIONS WILL PROBABLY AIM FOR ONE YEAR AGREEMENT OR TWO YEAR ACCORD WITH REOPENER AFTER FIRST YEAR.

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6. FOLLOWING INITIAL PERIOD OF UNCERTAINTY, ATTITUDE EMERGING AMONG OTHER TRADE UNION LEADERS REFLECTS ACCEPTANCE OF 175-175 RIKSDAG AS STILL PROVIDING WORKABLE BASIS FOR GOVERNING. ASSUMPTION IS THAT SAP GOVT WILL INITIALLY GO SLOW WITH CONTROVERSIAL LEGISLATION WITH THOUGHT OF PROVOKING NEW ELECTION WHEN MOMENT APPEARS RIGHT. SOME MILITANT UNION LEADERS STILL HOPEFUL THAT LAME-DUCK RIKSDAG WILL ADOPT PARTS

OF SAP PLATFORM, INCLUDING TAX RELIEF AND ARTICLE 32
PROHIBITION, PRIOR TO EXPIRATION ITS TERM AT END OF YEAR.

7. COMMENT: AFTER ELECTION CAMPAIGN IN WHICH HE PLAYED
ESSENTIALLY SUPPORTING PUBLIC ROLE, NILSSON'S STATEMENT
WAS DIRECT REMINDER TO POLITICIANS THAT LO IS STILL MAJOR
POWER WITH SAP AND THAT ALTHOUGH HE WAS ONLY RECENTLY
INSTALLED AS LO CHIEF HE IS PREPARED TO USE THAT POWER.
DECONTROL SEPTEMBER 1, 1974
OLSEN

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